

Notice of Preparation of Environmental Impact Report

September 29, 2010

TO: State Clearinghouse
Responsible and Trustee Agencies
Interested Agencies and Parties

FROM: Sonoma County Water Agency 404 Aviation Blvd. Santa Rosa, CA 95403

FISH HABITAT FLOWS AND WATER RIGHTS PROJECT

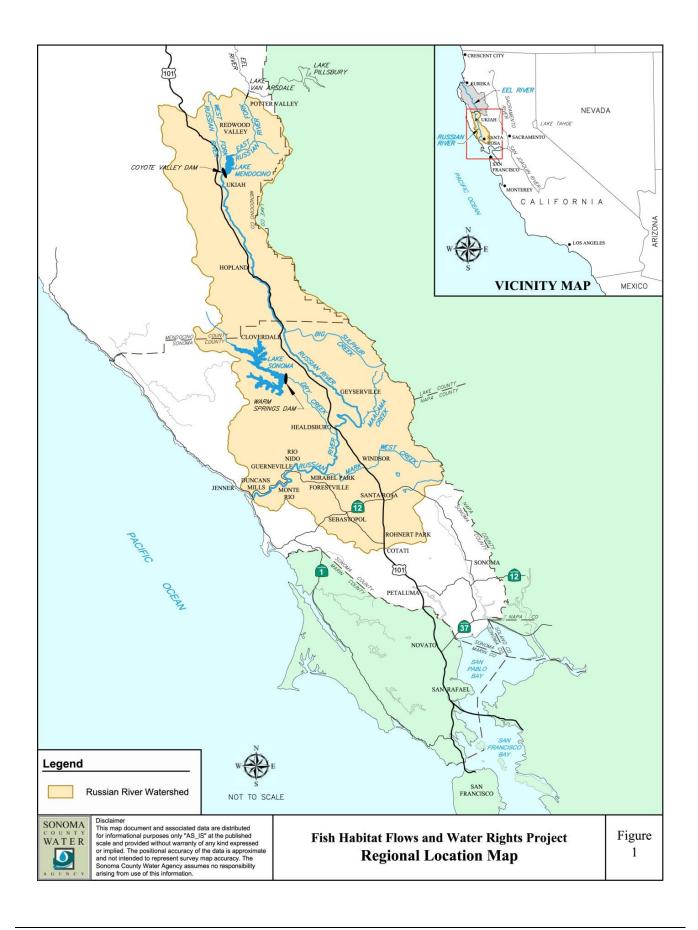
The Sonoma County Water Agency (Water Agency) is preparing an Environmental Impact Report (EIR) for the proposed *Fish Habitat Flows and Water Rights Project* (Fish Flow Project). The EIR will be prepared by the Water Agency in accordance with the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the Water Agency's "Procedures for the Implementation of CEQA." The Water Agency will be the lead agency and will consider all comments from responsible and trustee agencies, property owners, and interested persons and parties regarding the scope and content of the information to be included in the EIR. The Fish Flow Project is required by the 2008 National Marine Fisheries Service's Russian River Biological Opinion.

SONOMA COUNTY WATER AGENCY

The Water Agency is a special district created by the California Legislature and operates under the direction of a Board of Directors, composed of the members of the Sonoma County Board of Supervisors. The law that created the Water Agency and defines its powers and duties authorizes it to produce and furnish surface water and groundwater for beneficial uses, to control flood waters, to generate electricity, to provide recreational facilities in connection with Water Agency water supply facilities, and to treat and dispose of wastewater.

BACKGROUND INFORMATION

The Russian River originates in central Mendocino County approximately 15 miles north of Ukiah. The Russian River watershed is shown on Figure 1.



It drains an area of approximately 1,485 square miles, including much of Mendocino and Sonoma counties, and empties into the Pacific Ocean at Jenner in Sonoma County, about 20 miles west of Santa Rosa. The main channel of the Russian River is about 110 miles long and runs generally southward from its headwaters near Redwood and Potter Valleys, to Mirabel Park, where the channel's direction changes to generally westward as it crosses the Coast Range. Principal Russian River tributaries are the East Fork of the Russian River (which receives water diverted from the Eel River through Pacific Gas and Electric Company's (PG&E) Potter Valley Project (PVP), Big Sulphur Creek, Maacama Creek, Dry Creek, and Mark West Creek. Communities and cities along the Russian River include Ukiah, Hopland, Cloverdale, Geyserville, Healdsburg, Forestville, Mirabel Park, Rio Nido, Guerneville, Monte Rio, Duncans Mills, and Jenner.

Two major reservoir projects provide water supply storage in the Russian River watershed: 1) Coyote Valley Dam/Lake Mendocino, located on the East Fork of the Russian River three miles east of Ukiah, and 2) Warm Springs Dam/Lake Sonoma, located on Dry Creek 14 miles northwest of Healdsburg. The Water Agency is the local sponsor for these two federal water supply and flood control projects, collectively referred to as the Russian River Project. Under agreements with the United States Army Corps of Engineers (USACE), the Water Agency manages the water supply storage space in these reservoirs to provide a water supply and maintain summertime Russian River and Dry Creek streamflows.

The Water Agency holds water-right permits¹ issued by the State Water Resources Control Board (SWRCB) that authorize the Water Agency to divert² Russian River and Dry Creek flows and to re-divert³ water stored and released from Lake Mendocino and Lake Sonoma. The Water Agency releases water from storage in these lakes for delivery to municipalities, where the water is used primarily for residential, governmental, commercial, and industrial purposes. The primary points of diversion include the Water Agency's facilities at Wohler and Mirabel Park (near Forestville). The Water Agency also releases water to satisfy the needs of other water users and to contribute to the maintenance of minimum instream flow requirements in the Russian River and Dry Creek established in 1986 by the SWRCB's Decision 1610. These minimum instream flow requirements vary based on defined hydrologic conditions (normal, dry, and critical) that are based on cumulative inflows into Lake Pillsbury in the Eel River watershed.

During the rainy season (October through May), natural streamflow, rather than reservoir releases, accounts for most of the flow in the Russian River. From June through September, some of the flow in the Russian River is composed of water released from storage in Lake

² Divert - refers to water diverted directly from streamflows into distribution systems for beneficial uses or into storage in reservoirs.

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¹ SWRCB water-right permits 12947A, 12949, 12950 and 16596.

³ Re-divert - refers to water that has been diverted to storage in a reservoir, then is released and diverted again at a point downstream.

Mendocino (which includes water imported from the Eel River via PG&E's PVP) and Lake Sonoma.

The Russian River and Dry Creek minimum instream flow requirements of Decision 1610 may no longer be appropriate. Decision 1610 was adopted before the listings of three salmonid species under the federal Endangered Species Act, and did not specifically address the importance of fall storage in Lake Mendocino to the Chinook salmon migration. Although Decision 1610 assumed that higher instream flows were better for fishery resources, information developed in the last decade indicates this may not be so for salmonid species in Dry Creek, the Russian River, and the Russian River estuary. Decision 1610 expressly recognized that later fishery studies might identify a need to change the minimum flow requirements. Decision 1610 also expressly contemplated that such changes might be needed if PG&E's PVP imports changed, as they did in 2006.

The National Marine Fisheries Service (NMFS) issued its Biological Opinion for Water Supply, Flood Control Operations, and Channel Maintenance conducted by the U.S. Army Corps of Engineers, the Sonoma County Water Agency, and the Mendocino County Russian River Flood Control and Water Conservation District in the Russian River Watershed (Russian River Biological Opinion) on September 24, 2008. The Russian River Biological Opinion is a culmination of more than a decade of consultation between the Water Agency, the USACE, and NMFS regarding the impact of Water Agency and USACE water supply and flood control activities on three fish species listed under the federal Endangered Species Act: Central California coast steelhead, Central California Coast coho salmon, and California Coast Chinook salmon. Coho salmon are also listed under the California Endangered Species Act (CESA). The California Department of Fish and Game (CDFG) issued a consistency determination on November 9, 2009, finding that the NMFS' Russian River Biological Opinion was consistent with the requirements of the CESA and adopting the measures identified in the Russian River Biological Opinion.

NMFS concluded in the Russian River Biological Opinion that the continued operations of Coyote Valley Dam and Warm Springs Dam by the USACE and the Water Agency in a manner similar to recent historic practices, together with the Water Agency's stream channel maintenance activities and estuary management, are likely to jeopardize and adversely modify critical habitat for endangered Central California Coast coho salmon and threatened Central California Coast steelhead. Specifically, NMFS concluded that the artificially elevated summertime minimum flows in the Russian River and Dry Creek that are currently required by Decision 1610 result in high water velocities that reduce the quality and quantity of rearing habitat for coho salmon and steelhead. Additionally, NMFS concluded that maintaining these flows disrupts lagoon formation in the Russian River estuary and that allowing a lagoon to develop would likely enhance juvenile steelhead and salmon habitat.

⁴ NMFS' Russian River Biological Opinion may be accessed online at www.sonomacountywater.org and may be reviewed at the Water Agency's office at 404 Aviation Boulevard, Santa Rosa, CA.

NMFS' Russian River Biological Opinion concludes that reducing Decision 1610 minimum instream flow requirements will enable alternative flow management scenarios that will increase available rearing habitat in Dry Creek and the upper Russian River, and provide a lower, closer-to-natural inflow to the estuary between late spring and early fall, thereby enhancing the potential for maintaining a seasonal freshwater lagoon that would likely support increased production of juvenile steelhead and salmon.⁵

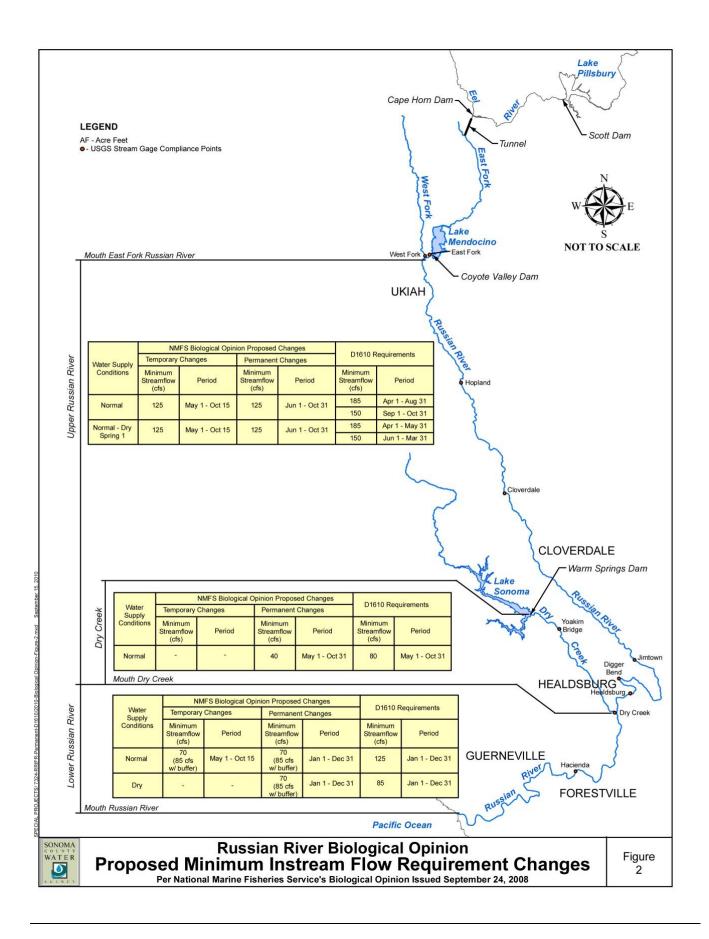
As required by NMFS' Russian River Biological Opinion, in September 2009 the Water Agency filed a petition with the SWRCB to permanently change the Decision 1610 minimum instream flow requirements, in order to improve habitat for endangered Central California Coast coho salmon and threatened Central California Coast steelhead. This petition presently is pending before the SWRCB. The SWRCB will act on this petition after the EIR that is the subject of this notice is prepared.

Until the SWRCB issues an order on this petition, the minimum instream flow requirements specified in Decision 1610 (with the resulting adverse impacts to listed salmonids) will remain in effect, unless temporary changes to these requirements are made by the SWRCB. Russian River Biological Opinion requires that the Water Agency petition the SWRCB for temporary changes to the Decision 1610 minimum instream flow requirements each year until the SWRCB issues an order on the Water Agency's petition for the permanent changes to these NMFS' Russian River Biological Opinion only requires petitions for temporary changes to minimum streamflow requirements for the mainstem Russian River, and not to the requirements for Dry Creek. The Water Agency petitioned the SWRCB for the Biological Opinion-specified temporary changes for the first time in 2010, and the SWRCB made a temporary urgency change in its Order WR 2010-0018-DWR. If approved by the SWRCB, the temporary changes required by NMFS will reduce the minimum instream flow requirement to 70 cubic feet per second (cfs) for the lower Russian River between May 1 and October 15. Additionally, to enhance steelhead rearing habitat in the Russian River between the East Branch and Hopland, the temporary changes, if approved, will reduce the minimum instream flow requirement to 125 cfs for the upper Russian River between May 1 and October 15.6

The permanent and temporary changes to Decision 1610 minimum instream flow requirements specified by NMFS in the Russian River Biological Opinion are summarized in Figure 2.

⁵ National Marine Fisheries Service. Biological Opinion for Water Supply, Flood Control Operations, and Channel Maintenance conducted by the U.S. Army Corps of Engineers, the Sonoma County Water Agency, and the Mendocino County Russian River Flood Control and Water Conservation District in the Russian River Watershed. p. 243. September 2008.

⁶ National Marine Fisheries Service. Biological Opinion for Water Supply, Flood Control Operations, and Channel Maintenance conducted by the U.S. Army Corps of Engineers, the Sonoma County Water Agency, and the Mendocino County Russian River Flood Control and Water Conservation District in the Russian River Watershed. p 247. September 2008.



NMFS' Russian River Biological Opinion concluded that, in addition to providing fishery benefits, the lower instream flow requirements "should promote water conservation and limit effects on in-stream river recreation." NMFS stated that the following changes may achieve these goals:

During Normal Years:

- 1. Reduce the minimum flow requirement for the Russian River from the East Fork to Dry Creek from 185 cfs to 125 cfs between June 1 and August 31; and from 150 cfs to 125 cfs between September 1 and October 31.
- 2. Reduce the minimum flow requirement for the Russian River between the mouth of Dry Creek and the mouth of the Russian River from 125 cfs to 70 cfs.
- 3. Reduce the minimum flow requirement for Dry Creek from Warm Springs Dam to the Russian River from 80 cfs to 40 cfs from May 1 to October 31.

During Dry Years:

1. Reduce the minimum flow requirement for the Russian River between the mouth of Dry Creek and the mouth of the Russian River from 85 cfs to 70 cfs.

During the periods that the temporary changes are in effect, the Water Agency will monitor water quality and fish, and collect and report monitoring information as required by NMFS' Russian River Biological Opinion.

In 2002, 2004, 2007, and 2009, water storage levels in Lake Mendocino declined to dangerously low levels. In 2002, the terms of Decision 1610 authorized the necessary reductions in instream flows, but that was not the case in 2004, 2007 and 2009. In those years, the SWRCB made temporary urgency changes to Water Agency water-right permits, and adopted temporary lower instream flow requirements to preserve water in Lake Mendocino. The situation during these years was due to lack of rainfall and, in 2007 and 2009, also was due to lower inflows from PG&E's PVP. Because of the recent reductions in PG&E's PVP diversions from the Eel River into the Russian River, it is no longer reasonable to use cumulative Lake Pillsbury inflows to determine the water-year type (normal, dry, or critical) that governs the level of Russian River and Dry Creek minimum streamflow requirements. It would be more realistic for the water-year type to be based on Russian River watershed conditions rather than on Eel River watershed conditions.

National Marine Fisheries Service. Biological Opinion for Water Supply, Flood Control Operations, and Channel Maintenance conducted by the U.S. Army Corps of Engineers, the Sonoma County Water Agency, and the Mendocino County Russian River Flood Control and Water Conservation District in the Russian River Watershed. p. 244. September 2008.

FISH HABITAT FLOWS AND WATER RIGHTS PROJECT

Objective

The objective of the Fish Flow Project is to manage Russian River Project releases to provide instream flows that improve habitat for threatened and endangered fish, while updating the Water Agency's existing water rights to reflect current conditions.

Location

The Fish Flow Project would generally be located in the Russian River watershed in Mendocino County and Sonoma County, California, shown on Figure 1. Environmental impacts of the Fish Flow Project would potentially occur at Lake Mendocino, Lake Sonoma, in and along the Russian River downstream of Lake Mendocino/Coyote Valley Dam to Jenner, and in and along Dry Creek downstream of Lake Sonoma/Warm Springs Dam.

Description

The Water Agency would manage water supply releases from Lake Mendocino and Lake Sonoma to provide instream flows in the Russian River and Dry Creek that would improve habitat for listed salmonids. The proposed Fish Flow Project requires approval by the SWRCB of Water Agency petitions to modify the Water Agency's existing water-right permits. In addition to the water-right modifications related to changing the minimum instream flow requirements to improve habitat for fish, the Water Agency also will file petitions with the SWRCB to update the Water Agency's water-right permits to reflect current conditions. The Water Agency will implement the proposed Fish Flow Project if the water-right modifications are made by the SWRCB.

Minimum Instream Flows for Coho Salmon and Steelhead

To comply with the requirements of NMFS' Russian River Biological Opinion, the Water Agency has filed a petition with the SWRCB that asks the SWRCB to make the following changes in the instream flow requirements that are specified in Decision 1610 and the Water Agency's water-right permits:

- between June 1 and August 31 of each year the existing minimum instream flow requirement of 185 cfs is proposed to change to 125 cfs for the upper Russian River (upstream of the confluence with Dry Creek and downstream of the confluence of the East and West Forks)
- between September 1 and October 31 of each year the existing minimum instream flow requirement of 150 cfs is proposed to change to 125 cfs for the upper Russian River (upstream of the confluence with Dry Creek and downstream of the confluence of the East and West Forks)

- between January 1 and December 31 of each year the existing minimum instream flow requirement of 125 cfs is proposed to change to 70 cfs for the lower Russian River (downstream of its confluence with Dry Creek)
- between May 1 and October 31 of each year the existing minimum instream flow requirement of 80 cfs is proposed to change to 40 cfs for Dry Creek from Warm Springs Dam to the Russian River.

Minimum Instream Flows for Chinook Salmon

Operating water supply releases from Lake Mendocino to preserve or increase the pool of cold water available in Lake Mendocino to support the fall Chinook salmon migration runs is also desirable, and may aid in the conservation and recovery of these threatened species. Although the proposed lower minimum instream flow requirements in NMFS' Russian River Biological Opinion will help to achieve this goal, the Water Agency will file another petition with the SWRCB, requesting that the modifications to minimum instream flow requirements be extended beyond the months required by NMFS' Russian River Biological Opinion for the upper Russian River (upstream of the confluence of Dry Creek and downstream of the confluence of the East and West Forks). These additional months could include those earlier or later in the year, or could be extended to be in effect year-round.

Hydrologic Index

The Water Agency will file another petition with the SWRCB, seeking to change the methodology used to establish the water-year type classifications that determine minimum instream flow requirements for the Russian River, to reflect actual conditions within the Russian River watershed rather than conditions in the Eel River watershed. The proposed hydrologic index will be developed based on appropriate measurements and dates of storage in, or inflows into, Lake Mendocino.

Water-Right Permit Updates

The Water Agency also will file petitions as needed to update its water-right permits to reflect current conditions and to resolve the time extension petitions that are pending before the SWRCB. These actions are not required to implement the proposed new minimum instream flow requirements or to change the hydrologic index, but will ask the SWRCB to consolidate the process to modify and update the Water Agency's water-right permits so that the SWRCB may make all necessary changes to the Water Agency's water-right permits in one order. These actions will include the pending petitions to extend time to complete use of water to December 1, 2020, and also may include new petitions to amend the place-of-use maps for the Water Agency's water-right permits, so that they are based on actual current and expected uses, and to make other updates or clarifications.

The proposed changes to the minimum instream flow requirements and the criteria used to determine the hydrologic index, and the proposed requests for water-right permit updates may change as the Fish Flow Project description and alternatives are further developed.

ISSUES TO BE ADDRESSED IN THE EIR

In accordance with CEQA, the Fish Flow Project EIR will address the potential environmental impacts associated with the Fish Flow Project. Specific areas of analysis may include: Aesthetics, Agricultural Resources, Air Quality, Biological Resources, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use and Planning, Noise, Population and Housing, Public Services, Recreation, Transportation and Traffic, and Utilities and Service Systems. The EIR will also analyze potential cumulative impacts related to the Fish Flow Project, including potential impacts of other required elements of NMFS' Russian River Biological Opinion. Areas of analysis may be changed based on input received during the Notice of Preparation (NOP) review period. Mitigation measures will be proposed to avoid or reduce such impacts, where reasonably feasible.

The Fish Flow Project EIR will discuss alternatives to the proposed project, and alternatives may be added based on input from the public and regulatory agencies during the NOP review period.

Information to be included in the Fish Flow Project EIR will also be based on input and comments received during the review period for this NOP. Decision-makers, responsible and trustee agencies under CEQA, property owners, and interested persons and parties will also have an opportunity to comment on the Draft EIR after it is published and circulated for public review.

PUBLIC COMMENT PERIOD FOR THIS NOTICE OF PREPARATION

Due to the time limits mandated by State law, your response must be sent at the earliest possible date, but not later than 45 days after receipt of this notice. The public comment period will close at 5:00 p.m. on November 15, 2010. Please include a name, address, and telephone number of a contact person in your agency for all future correspondence on this subject. Please send your comments to:

Sonoma County Water Agency Attn: Jessica Martini-Lamb, Principal Environmental Specialist 404 Aviation Boulevard Santa Rosa, CA 95403

You may also submit comments electronically at the Water Agency's website:

www.sonomacountywater.org/rrifr

SCOPING MEETINGS

In order for the public and regulatory agencies to have an opportunity to ask questions and submit comments on the scope of the Fish Flow Project EIR, three Scoping Meetings will be held during the NOP review period. Comment forms will be supplied for those who wish to submit written comments at the scoping meetings; written comments may also be submitted anytime during the NOP review period. The dates, times, and locations of the Scoping Meetings are listed below:

Thursday, November 4th 6:00 p.m. - 9:00 p.m. Monte Rio Community Center 20488 Highway 116 Monte Rio

Monday, November 8th 6:00 p.m. - 8:30 p.m. Windsor Town Hall 9291 Old Redwood Hwy Windsor

Wednesday, November 10th 6:00 p.m. - 9:00 p.m. The Alex Rorabaugh Center 1640 South State Street Ukiah

Documents or files related to the Fish Flow Project are available for review at the Water Agency's Administrative Office located at 404 Aviation Boulevard, Santa Rosa, CA, 95403.

If you have any questions, or if you wish to update your information on our mailing list, please contact Jessica Martini-Lamb, Principal Environmental Specialist, at (707) 547-1903 or Erica Phelps, Environmental Resources Coordinator, at (707) 547-1934.



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Upcoming Scoping Meetings:

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